

REQUEST FOR PROPOSALS

MARICOPA ASSOCIATION OF GOVERNMENTS (MAG) Annual Financial Audit



April 17, 2007

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PUBLIC NOTICE

REQUEST FOR PROPOSALS: Annual Financial Audit

The Maricopa Association of Governments (MAG) is requesting proposals from qualified firms for the Annual Financial Audit for the fiscal year end June 30, 2007 with the option of auditing MAG's financial statements for each of the four subsequent fiscal years. The audit(s) are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. General Accounting Office's *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Detailed proposal requirements may be obtained by contacting the MAG Office at the address indicated below or may be downloaded from <http://www.mag.maricopa.gov/>, under "Employment/RFP's" then "RFPs/RFQs," For further information, please submit questions in writing by fax to the attention of Annual Financial Audit at (602) 452-5090, or by e-mail to rkimbrough@mag.maricopa.gov.

Proposals will be accepted until 12 noon (Mountain Standard Time) on April 30, 2007, at MAG, 302 N. 1st Ave., Ste. 300, Phoenix, AZ 85003. MAG will not accept facsimile or electronically transmitted proposals. MAG will also not accept overnight deliveries past the proposal due time.

SCOPE OF WORK

Introduction

The Maricopa Association of Governments (MAG) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2007. This audit is to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2003, Revised), the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, and U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments and Non-Profit Organizations.

Background

The Maricopa Association of Governments is the designated MPO for transportation planning for the metropolitan Phoenix area. MAG is also the designated Air Quality Planning Agency for the region. The MAG membership consists of the 25 incorporated cities and towns within Maricopa County and the contiguous urbanized area, the Gila River Indian Community, the Salt River Pima-Maricopa Indian Community, Fort McDowell Yavapai Nation, Maricopa County, the Arizona Department of Transportation (ADOT), and the Citizens Transportation Oversight Committee (CTOC). ADOT and CTOC serve as ex-officio members for transportation-related issues.

MAG provides a regional planning and decision making framework for local elected officials, and is governed by a Regional Council composed of one elected official from each member government. Key programs include transportation, transit, human services, population forecasting, water quality, and air quality. The annual operating budget for MAG is approximately \$9 million, with the total budget approximately \$30 million. Much of the funding comes from Federal grants. There are approximately 26 active federal grants with balance sheets. MAG requires a financial and compliance audit. See the fund structure below:

Fund Type/Account Group	Number of Individual Funds	Budget Annually Adopted by the Governing Body
General fund	1	Yes
Special Revenue funds	24-27	Yes
Pension Trust funds	2	N/A
General fixed assets account group	1	N/A

MAG uses modified accrual accounting. MAG General Fund and Special Revenue Funds use a combination computerized accounting program and manual accounting as described below. MAG's fiscal year end is June 30.

Computer Systems

Major Applications	Vendor
Accounting files and backup	Axium Protrax
Cash receipts log	Quicken
Purchase Order Forms	Paradox
Fixed Assets	Excel and Axium Protrax

Operating System	Network	Network Protocol
Windows 2000 and XP	Windows 2000	TCP/IP

MAG participates in the Arizona State Retirement System. This is a multiple-employer cost sharing defined benefit plan. Actuarial services for the multiple-employer plan are provided by the State of Arizona.

MAG is a 501 (C) (4) organization and has two component units including the Maricopa Association of Government Information Center and the Regional Community Partners. The two component units are both incorporated as 501 (C) (3) corporations. Both of the component units' boards are wholly comprised of MAG's board. Both component units utilize a fiscal year ending June 30.

The Fiscal Services Division is headed by Rebecca Kimbrough and has seven full-time employees. The principal functions performed and the number of employees assigned to each are as follows:

Function	Number of Employees in FTE
Administration, Audit and CAFR	1
General Accounting, Accounts Receivable	1.15
Budget and Grants	1.25
Accounts Payable and Payroll	1
Contracts Administration, Procurement	1.25
Fixed Assets	.25
General Fund and Specifications and Details	.10
Billing	1

The audits of financial records will be performed by an independent auditor in accordance with generally accepted accounting principles, generally accepted government auditing standards, and the additional standards covering financial and compliance audits.

In completing the MAG audit, the audit firm will use the most current revision of:

- Government Auditing Standards (Standards for Audit of Governmental Organizations, Programs, Activities and Functions), published by the Comptroller General of the United States.
- OMB Circular A-87, Cost Principles for State and Local Governments.
- Guidelines for Financial and Compliance Audits of Federally Assisted Programs, published by the United States General Accounting Office.
- OMB Circular A-133, Audits of State and Local Governments.

Copies of prior audit reports will be made available to the audit firm before the audit is started.

Proposed Tasks

1. General.
 - a. MAG desires the auditor to express an opinion on the fair presentation of its financial statements as contained in its Comprehensive Annual Financial Report in conformity with accounting principles generally accepted in the United States of America.
 - b. MAG desires the auditor to express an opinion on the fair presentation of its basic financial statements, including the governmental activities, any discreetly presented component units, each major fund and the aggregate remaining fund information and schedules in conformity with generally accepted accounting principles in the United States of America.

- c. MAG desires the auditor to express an opinion on the fair presentation of the combining financial statements, including the non-major governmental funds in conformity with accounting principles generally accepted in the United States of America.
- d. The auditor is to provide an “in-relation-to” opinion and review on supplementary information including the management’s discussion and analysis, budgetary comparison statements for the general fund and major special revenue funds, and other required supplementary information based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund, and schedule of federal awards financial statements and schedules (SFFA). The auditor is not required to audit the introductory section of the CAFR or the statistical section of the report.
- e. In the required report(s) on internal controls, the auditor shall communicate in writing any reportable conditions found during the audit. A reportable condition shall be defined as:

A significant deficiency in the design or operation of the internal control structure, which could adversely affect an entity’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
- f. Reportable conditions that are also material weaknesses shall be identified as such on the report.
A material weakness shall be defined as:

A reportable condition in which the design or operation of the specific internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.
- g. Non-reportable conditions discovered by the auditors shall be reported in a separate letter under a separate cover to the Executive Director which shall be referred to in the report(s) on internal controls.
- h. The reports on compliance shall include all instances of noncompliance.
- i. Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts, of which they become aware to the following parties in the order listed below:
 - 1) Executive Director of MAG
 - 2) MAG Regional Council
 - 3) U.S. Department of Transportation Federal Highway Administration (FHWA)

2. Special Considerations:

- a. MAG anticipates it will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to MAG to meet the requirements of the program.
- b. MAG has determined that the U.S. Department of Transportation Federal Highway Administration will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations.
- c. The MAG schedule of federal financial assistance and related auditor’s report, as well as the reports on the internal control structure and compliance, are to be issued as part of the Comprehensive Annual Financial Report.

Deliverables

Following completion of the audit on the fair presentation of the financial statements of the auditor, the Audit Reports shall:

1. State whether the financial report have been prepared in accordance with generally accepted or prescribed accounting principals applicable to MAG and on a consistent basis from one period to the next. If the reports are prepared differently, an explanation for the changes will be stated in the audit report. Under no circumstances will the change be made without prior approval of MAG.
2. Contain an expression of the auditor's opinion on whether the information contained in the audit report is presented fairly. If the auditor firm cannot express an opinion, the reasons thereof shall be stated to the Management of MAG and will be in the audit report.
3. Where applicable, include a statement on the study and evaluation of internal controls. Identify any material weaknesses identified as a result of the evaluation and management's response.
4. Where applicable include appropriate supplementary explanatory information about the contents of the audited reports as may be necessary for full and informative disclosure.
5. Where applicable, include an expression of the auditor's negative assurance on items not tested, and contain an expression of the auditor's positive assurance on items tested in accordance with OMB Circular A-133.
6. Where applicable, include instances of non-compliance with laws, rules and regulations, which will be explained in the audited report, and management's response.
7. Where applicable, include instances of non-compliance in prior fiscal year audit report(s) and positive assurance of compliance during current fiscal year, and management's response.
8. Where applicable, report presentation will contain supplementary information for grants and programs. This information should be by grant or program, by budget period, with a balance sheet and a comparison of revenues and costs to budget for the period under audit, and from inception to date of audit. This presentation will be consistent with prior audited reports.

PROPOSAL REQUIREMENTS

Audit Schedule and Cost

1. Audit Schedule

The estimated time frame for this audit is approximately two months from the end of the fiscal year with key dates relating to MAG's preparation of the Comprehensive Annual Financial Report and the related audit and may be subject to change by mutual negotiated approval during the contract period.

First Week of June 2007– Entrance Conference- the purpose of this meeting will be to discuss issues relating to the audit and work to be performed. This meeting will also be used to establish an overall plan for the timeframe of the audit. At this meeting, the auditor will provide a list of all interim schedules to be prepared by MAG.

Second Week of June 2007– The auditor will provide MAG with an Engagement Letter. MAG will review, sign and return the letter to the auditor.

Last Week of June 2007 – The auditor will provide a list of documents of the types of documents needed during fieldwork. If some preliminary fieldwork is desired by the auditor, the auditor will propose this at this time and schedule it with MAG.

First Week of July 2007 – MAG will provide copies of all confirmation letters prepared for mailing by the auditor.

Second Week of September 2007 – MAG will provide the auditor with a draft of all individual fund and combining financial statements, the notes to the financial statements, and other financial schedules.

Third Week of September 2007 – The auditor will begin field work during this period.

First Week of October 2007– The auditor will have completed all fieldwork by this date. A draft CAFR will be provided at the end of fieldwork with revised statement, a letter of transmittal, and MD&A.

Second Week of October 2007 – The auditor will have reviewed the CAFR in its entirety at all necessary levels and provided all final recommendations, revisions, comments, or suggestions for improvements to the complete CAFR. The auditor will provide the Representation Letter for MAG's signature.

Third Week of October 2007 – The auditor will provide their signed report on the financial statements.

Last Week of October 2007 – The auditor will provide drafts of all other schedules, reports, and statements, and the letter of recommendations to management for MAG's review. MAG shall review these reports as expeditiously as possible. During this review, the auditor should be available to discuss and resolve all issues relating to the auditor's schedules, reports, and financial statements.

Last Week of November 2007 – The auditor will be prepared to attend the MAG Regional Council meeting, and if necessary, answer questions and offer explanations regarding the audit, audit process, information contained in the CAFR, any findings, and their report/opinion.

First Week of December 2007 – The auditor will print and bind 100 copies of the CAFR and all other associated reports and deliver these to MAG.

2. Audit Cost

The cost information should contain all pricing information relative to performing the audit engagement as described in this Request for Proposals. The total all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses.

MAG will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The cost information should contain certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with MAG.

a. A Total All-inclusive Maximum Price for each year of the audit.

Rates by Partner, Specialist, Supervisory, and Staff Level Times Hours Anticipated for Each Member of the Audit Team.

The proposal should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price and for each year of the proposed contract (June 30, 2007, June 30, 2008, June 30, 2009, June 30, 2010, June 30, 2011). The cost of special services should be disclosed as separate components of the total all-inclusive maximum price.

b. Out-of-Pocket Expenses Included in the Total All-inclusive Maximum Price

All estimated out-of-pocket expenses (e.g., travel, lodging, etc.) to be reimbursed should be presented in the cost information. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

c. Rates for Additional Professional Services

If it should become necessary for MAG to request the auditor to render any additional services to either supplement the services requested in this Request for Proposals, or to perform additional work as a result of the specific recommendations included in any report issued on

this audit, then such additional work shall be performed only if set forth in an addendum to the contract between the Executive Director and the firm. Any such additional work agreed to between MAG and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the cost information.

d. Manner of Payment

Progress payments will be made per the payment schedule listed below. Ten percent (10%) will be withheld from each interim billing pending delivery of the firm's final reports.

Payment Trigger	Amounts to be Paid
Completion of the internal controls documentation	25%*
Completion of fieldwork	25%*
Delivery of the final signed audit report to each	50%*
Acceptance of the Final Reports	Withholding Released
* Less 10% withholding	

Proposal Delivery

1. Six (6) copies of the proposal must be submitted by 12:00 noon (Mountain Standard Time) on April 30, 2007 to:
Maricopa Association of Governments
Attention: Rebecca Kimbrough
302 North 1st Avenue, Suite 300
Phoenix, Arizona 85003

Timely receipt of proposals will be determined by the date and time the proposal is received at the above address. Hand delivery is therefore encouraged. No late submissions, facsimile, or electronic submissions will be accepted.

Proposals will be opened publicly and the name of each entity submitting a proposal will be read at 1:00 P.M. on April 30, 2007 at the MAG Offices, Palo Verde Room, 302 North 1st Avenue, Suite 200 Phoenix, Arizona, 85003.

All material submitted in response to this solicitation becomes the property of MAG and will not be returned. After contract award, the proposals shall be open for public inspection except to the extent that the withholding of information is permitted or required by law. If the offeror designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions in accordance with Arizona Administrative Code R2-7-104; which shall be included in the proposal. Upon receipt of your written notification, MAG will review any portions of the proposal that the proposer considers to be confidential and then make a determination on what should be released. MAG will also notify you in writing of our determination and provide you with an opportunity to respond to our decision prior to releasing the proposal.

2. Any questions regarding this Request for Proposals should be submitted in writing to Rebecca Kimbrough by fax at (602) 452-5090; or by email at rkimbrough@mag.maricopa.gov. Responses to questions submitted will be posted on the MAG Web site at www.mag.maricopa.gov/rfp.cms?item=7313

Additional information regarding MAG activities, including Committee meeting schedules, may be found on the MAG Web site www.mag.maricopa.gov.

Proposal Content

It is required that the proposal:

1. Be limited to a maximum length of 20 pages, including a cover letter and any appendices. The cover letter must be signed by a party authorized to bind the entity submitting the proposal. Resumes must be included and will not be counted as part of the 20 pages of the RFP.
2. Be prefaced by a brief statement describing the proposer's organization and outlining its approach to completing the work required by this solicitation. This statement shall illustrate the proposer's overall understanding of the audit.
3. Contain a work plan which concisely explains how the auditors will carry out the objectives of the audit. In the work plan, the proposer shall describe each audit task and proposed approach to the task as clearly and thoroughly as possible.
4. Include a preliminary schedule for the audit. Indicate all work plan tasks and their durations. The schedule shall clearly identify audit deliverable dates.
5. Contain a staffing plan for the audit. The plan shall include the following in table format:
 - A. A audit organization chart, identifying the audit manager.
 - B. Names of key auditors. Only those personnel who will be working directly on the audit should be cited.
 - C. Percent effort (time) of each team member for the contract period.
 - D. The role and level of MAG technical staff support, if any.
6. Include résumés for major staff members assigned to the audit. These résumés should focus on their experience in this type of audit.
7. Each firm submitting a proposal is required to certify that it will comply with, in all respects, the rules of professional conduct set forth in A.C.R.R. R4-30-301 (see Appendix A), which is the official compilation of the Rules of Professional Conduct from the Administrative Rules and Regulations for the State of Arizona.
8. Include proposer's recent experience (last five years) in performing work similar to that anticipated herein. This description shall include the following:
 - A. Date of audit.
 - B. Name and address of client organization.
 - C. Name and telephone number of individual in the client organization who is familiar with the audit.
 - D. Short description of audit.
 - E. Audit team members involved and their roles.
9. All firms proposing on this audit will be required to include a "*Proposer's Registration Form*" (See Appendix B) in the submitted proposal. In addition, a "*Proposer's Registration Form*" is required to be included for each subcontractor proposed for this audit.
10. Each firm shall document within its proposal any potential conflicts of interest. A conflict of interest shall be cause for disqualifying an audit firm from consideration. A potential conflict of interest includes, but is not limited to:

- a. Accepting an assignment where duty to the client would conflict with the auditor's personal interest, or interest of another client.
 - b. Performing work for a client or having an interest which conflicts with this contract.
 - c. Employing personnel who worked for MAG or one of its member agencies within the past three years.
 - d. All relationships with MAG and / or any employees of MAG.
11. MAG will be the final determining body as to whether a conflict of interest exists.

PROPOSAL EVALUATION AND SELECTION PROCESS

1. All proposals will be evaluated by an evaluation team consisting of MAG staff and MAG member agency staff. Evaluation criteria include the following:

- a. General Requirements

- 1) Inquiries concerning the Request for Proposals instructions, specifications, accounting requirements or general requirements of the Request for Proposals should be directed by mail, fax, or email to:

Maricopa Association of Governments
ATTN: Rebecca Kimbrough
302 North 1st Avenue, Suite 300
Phoenix, AZ 85003;

FAX: (602) 452-5090, ATTN: Rebecca Kimbrough; or,

EMAIL: rkimbrough@mag.maricopa.gov ATTN: Rebecca Kimbrough

Contact with personnel outside of MAG's contact listed above regarding this Request for Proposals may be grounds for elimination from the selection process.

- 2) Submission of Proposals

The following material is required to be received by April 30, 2007 by 12:00 noon (mountain standard time).

One (1) original copy of the proposal and five (5) copies to include the following:

- a) Title Page

Title page showing the Request for Proposals' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

- b) Table of Contents

The Table of Contents should cross-reference the information in the proposal to the requirements of Request for Proposals.

- c) Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the audit, and a statement that the proposal is a firm and irrevocable offer for fifty (50) days from the date of the transmittal letter.

- b. Clarity of proposal, realistic approach, technical soundness, and enhancements to elements outlined in this Request for Proposals.

- c. Experience of the audit manager and other audit personnel in similar studies. Only those personnel assigned to work directly on the audit should be cited.

- d. Independence

The firm should provide an affirmative statement that it is independent of MAG as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1994 Revision).

In addition, the firm shall give MAG written notice of any professional relationships entered into during the period of the agreement that may present a potential conflict of interest.

e. License to Practice in the State of Arizona

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Arizona.

f. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit is to be performed and the number and nature of the professional staff to be assigned to this audit on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review ("peer review"), with a statement whether that quality review included a view of specific government audits. Also, indicate whether the most recent peer review included a review of any government audits.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with federal and state regulatory bodies or professional organizations.

g. Partner, Supervisory, and Staff Qualifications and Experience

The firm should identify the names of partners, managers, other supervisors, and specialists, who would be assigned to the audits and indicate whether each such person is licensed to practice as a certified public accountant in the State of Arizona. The firm also should provide information on the government auditing experience of each person to be assigned to the audit, including information on relevant continuing professional education for the past three (3) years and membership(s) in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience, and training, including relevant governmental accounting and auditing continuing professional education, of the specific staff to be assigned to this audit. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Audit partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Executive Director. However, in either case, MAG retains the right to approve or reject replacements.

Auditors and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of the Executive Director who retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

h. Similar Audits with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant audits (maximum five) performed in the last five years that are similar to the audit described in this Request for Proposals. These audits should be ranked on the basis of total staff hours.

Indicate the scope of the work, date, audit partner and manager, total hours, and the name and telephone number of the principal client contacts.

i. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this Request for Proposals. In developing the work plan, reference should be made to such sources of information as MAG's budget and related materials, organizational chart, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

Level of staff and number of hours to be assigned to each proposed segment of the audit.

- 1) Extent of use of EDP software in the audit.
- 2) Scope and extent of analytical procedures to be used in the audit.
- 3) Approach to be taken to gain and document an understanding of MAG's internal control structure.
- 4) Approach to be taken in determining laws and regulations that will be subject and regulations that will be subject to audit test work.
- 5) Approach to be taken in drawing audit samples for purposes of tests of compliance.
- 6) Approach to performing the Single Audit requirements under OMB Circular A-133.

j. Proven track record in this area of study. Proposers should identify the principal people who worked on past audits and the amount of time they devoted to the work effort.

k. Availability of key personnel throughout the audit effort.

l. Price, except for the procurement of architectural or engineering (A&E) services.

m. Ability and commitment to complete the audit within the specified time period, meet all deadlines for submitting associated work products, and insure quality control.

n. Recognition of work priorities and flexibility to deal with change and contingencies.

2. MAG may conduct discussions with offerors who submit proposals determined to be reasonably susceptible of being selected for award.

3. MAG reserves the right to:

- a. Cancel this solicitation.
- b. Reject any and all proposals and re-advertise.

- c. Select the proposal(s) that, in its judgment, will best meet its needs.
- d. Negotiate a contract that covers selected parts of a proposal, or a contract that will be interrupted for a period or terminated for lack of funds.

ADMINISTRATIVE REQUIREMENTS

1. This Request for Proposals is for a fixed fee contract.
2. MAG shall retain ten percent (10%) of the contract amount, withheld from each invoice, as final payment until completion of the project to the satisfaction and acceptance of the work. Final payment shall be made after acceptance of the final product and invoice.
3. An audit examination of the consultant's records may be required.
4. The firm that is selected will be required to comply with Titles VI and VII of the Civil Rights Act of 1964. The contractor will comply with Executive Order 11246, entitled Equal Employment Opportunity, as amended by Executive Order 11375 and as supplemented in Department of Labor Regulations (41 CFR Part 60). The contractor will also be required to comply with all applicable laws and regulations of the U.S. Department of Transportation.
5. The firm selected will be required to comply with MAG insurance requirements, which may include: Workmen's Compensation, Architects and Engineers Professional Liability insurance, Commercial General Liability insurance, Business Automobile Liability insurance, and Valuable Papers insurance.
6. The firm selected is required to document any potential conflicts of interest during the contract period. A conflict of interest shall be cause for terminating a contract. A potential conflict of interest includes, but is not limited to:
 - a. Accepting an assignment where duty to the client would conflict with the consultant's personal interest, or interest of another client.
 - b. Performing work for a client or having an interest which conflicts with this contract.
 - c. Employing personnel who worked for MAG or one of its member agencies within the past three years.

MAG will be the final determining body as to whether a conflict of interest exists.

APPENDIX A

ARIZONA ADMINISTRATIVE CODE R4-30-301

ARTICLE 3. REGULATORY PROVISIONS**R4-30-301. Rules of Professional Conduct**

All registrants shall comply with the following rules of professional conduct:

1. A registrant shall not submit any materially false statements or fail to disclose any material facts requested in connection with an application for registration, certification, or subpoena.
2. A registrant shall not engage in fraud, deceit, misrepresentation or concealment of material facts in advertising, soliciting, or providing professional services to members of the public.
3. A registrant shall not knowingly commit bribery of a public servant as proscribed in A.R.S. § 13-2602, knowingly commit commercial bribery as proscribed in A.R.S. § 13-2605, or violate any federal statute concerning bribery.
4. A registrant shall comply with state, municipal, and county laws, codes, ordinances, and regulations pertaining to the registrant's area of practice.
5. A registrant shall not violate any state or federal criminal statute involving dishonesty, fraud, misrepresentation, embezzlement, theft, forgery, perjury, bribery, or breach of fiduciary duty, if the violation is reasonably related to the registrant's area of practice.
6. A registrant shall apply the technical knowledge and skill that would be applied by other qualified registrants who practice the same profession in the same area and at the same time.
7. A registrant shall not accept an assignment if the duty to a client or the public would conflict with the registrant's personal interest or the interest of another client without full disclosure of all material facts of the conflict to each person who might be related to or affected by the project or engagement in question.
8. A registrant shall not accept compensation for services related to the same project or professional engagement from more than one party without making full disclosure to all parties and obtaining the express written consent of all parties involved.
9. A registrant shall make full disclosure to all parties concerning:
 - a. Any transaction involving payments to any person for the purpose of securing a contract, assignment, or engagement, except for actual and substantial technical assistance in preparing the proposal; or
 - b. Any monetary, financial, or beneficial interest the registrant may hold in a contracting firm or other entity providing goods or services, other than the registrant's professional services, to a project or engagement.
10. A registrant shall not solicit, receive, or accept compensation from material, equipment, or other product or services suppliers for specifying or endorsing their products, goods or services to any client or other person without full written disclosure to all parties.
11. If a registrant's professional judgment is overruled or not adhered to under circumstances where a serious threat to the public health, safety, or welfare may result, the registrant shall immediately notify the responsible party, appropriate building official, or agency, and the Board of the specific nature of the public threat.
12. If called upon or employed as an arbitrator to interpret contracts, to judge contract performance, or to perform any other arbitration duties, the registrant shall render decisions impartially and without bias to any party.

13. To the extent applicable to the professional engagement, a registrant shall conduct a land survey engagement in accordance with the April 12, 2001 Arizona Professional Lands Surveyors Association (APLS) Arizona Boundary Survey Minimum Standards, as adopted by the Board on June 15, 2001, the provisions of which are incorporated in this subsection by reference and on file with the Office of the Secretary of State. This incorporation by reference does not include any later amendments or editions.
14. A registrant shall comply with any subpoena issued by the Board or its designated administrative law judge.
15. A registrant shall update the registrant's address and telephone number of record with the Board within 30 days of the date of any change.
16. A registrant shall not sign, stamp, or seal any professional documents not prepared by the registrant or a bona fide employee.
17. Except as provided in subsections (18) and (19), a registrant shall not accept any professional engagement or assignment outside the registrant's professional registration category unless:
 - a. The registrant is qualified by education, technical knowledge, or experience to perform the work; and
 - b. The work is exempt under A.R.S. § 32-143.
18. A registered professional engineer may accept professional engagements or assignments in branches of engineering other than that branch in which the registrant has demonstrated proficiency by registration but only if the registrant has the education, technical knowledge, or experience to perform such engagements or assignments.
19. Except as otherwise provided by law, a registrant may act as the prime professional for a given project and select collaborating professionals; however, the registrant shall perform only those professional services for which the registrant is qualified by registration to perform and shall seal and sign only the work prepared by the registrant or by the registrant's bona fide employee.
20. A registrant who is designated as a responsible registrant shall be responsible for the firm or corporation. The Board may impose disciplinary action on the responsible registrant for any violation of Board statutes or rules that is committed by a non-registrant employee, firm, or corporation.

August 2004

APPENDIX B

PROPOSER'S REGISTRATION FORM

PROPOSER'S REGISTRATION FORM

All firms proposing as prime contractors or subcontractors on Maricopa Association of Governments (MAG) projects are required to be registered. **Please complete this form and return it with your proposal.**

If you have any questions about this registration form, please call the MAG Fiscal Services Manager, (602) 254-6300.

1. GENERAL INFORMATION:

Name of Firm: _____
Street Address: _____
City, State, ZIP _____
Mailing Address: _____
City, State, ZIP _____
Telephone Number _____
Fax Number: _____
E-mail address: _____
Web address: _____
Year firm was established _____

Check all that apply:

Is this firm a prime consultant? _____
Is this firm a sub-consultant? _____ Identify specialty: _____
Is this firm a certified DBE? _____ If so, by whom? _____
Is this firm currently debarred? _____
Is this firm currently the subject of debarment proceeding? _____

2. FINANCIAL INFORMATION

Firm's annual gross receipts (average of last 3 years):

_____ <\$300,000
_____ \$300,000 - \$599,999
_____ \$600,000 - \$999,999
_____ \$1,000,000 - \$4,999,999
_____ >\$5,000,000

Information will be maintained as confidential to the extent allowed by federal and state law. The undersigned swears that the above information is correct. Any material misrepresentation may be grounds for terminating any contract which may be awarded and initiating action under federal and state laws concerning false statements.

Name, Title Date